

# A theoretical assessment of the Effect of Training and Development on Employees Performance and Productivity

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## Abstracts

This paper examines previous literature on the effect of training and development on employees' performance and productivity. Furthermore, the study seeks to investigate the meaning of training and development, identify the importance of employee performance and also, the study seeks to explore the relationship between training and development and employees' performance. This study will be conducted through the use of secondary data in form of a literature review. The literature survey will assist in identifying whether training and development has impact on employees' performance and productivity. Findings from the review of literature revealed that employees are an asset to the organisation when they are skilled. Further the study revealed that organisational efficiency would be increased through training and development and also, the enhancement of employee careers and opportunities to get better positions within the organisation. The study is a contribution to the body of knowledge on Training and Development of employees and their impact performance and Productivity.

**Key Words:** Training and Development, Productivity, Performance

## I. INTRODUCTION

The effect that training and development (T&D) has on both employee and organisational goals has been a significant debate among professionals and scholars (Brum, 2007). One school of thought argues that T&D is a tool that can lead to higher levels of employee retention while the other argues that training leads to an increase in turnover (Colarelli & Montei, 1996; Becker, 1993). Irrespective of where one falls within this debate, most professionals agree that employee training is a complex human resource practice that can significantly impact a company's success. T&D is of paramount importance as it gains competitive advantage for an organisation over its competitors and aids employees to better perform at their jobs Also, allowing organisations to compete in the new economy and to meet the ever changing challenges of the world of work (Warnich et al., 2014). The continued need for individual and organisational development stems from the dynamics of increasing productivity, enhancing employee skills and knowledge, and maintaining superiority in the workplace (Edens & Bell, 2003). Thus agreeing with previous research on human resource development (HRD) that the selection, training and development of effective performing employees is linked to the response to the need for higher productivity and performance within the organisation (Garavan et al., 1999; Hodgetts et al., 1999; Losey, 1999). Vemic, (2007) stated that knowledge is becoming basic capital and a reliable source of sustained competitive advantage. Likewise, the emphasis of sustainable human capital in the workplace urges companies to strive for achieving and

maintaining competitive advantage through its human capital as well as finding ways of knowledge gaining of that capital. Therefore, confirming the statement by Vemic, (2007) that the practice of T&D, effective management of human resource (HR) promotes a continual knowledge and skills transfer, proactive behaviour and knowledge innovation. Thus, contributing to competitive advantage and satisfaction of all participants in the company. The aim of this paper is to investigate the effect of training and development on employees' performance and productivity. Further, the study seeks to identify perceptions of the employees on training and development. Also, examine how training and development contribute to employee performance and productivity.

Organisations face low levels of productivity amongst its workers. The problem may stem from job dissatisfaction, workers may be incapable to complete certain tasks mandated to them due to lack of training and development programs. Another problem is the increase of employee turnover as a result of workers lacking the necessary skills and talent to execute the job efficiently and effectively. Previous literature reveal the correlation of T&D and employee performance, highlighting how enhancing employee competencies benefits both the employee and the organisation. Therefore, the problem to be investigated in this research is the effect of training and development on employees' performance and productivity.

## II. LITERATURE REVIEW

A study by Devi & Shaik, (2012) conveys training as being present-day oriented; with a focus on individuals' current jobs, enhancing specific skills and abilities to immediately perform their jobs. While employee development has a holistic view, focused on enhancing behaviours, improving performance and future jobs of the organisation. According to Arnoff (1971) T&D is the driving force to employee initiative and creativity, which also assists in preventing manpower obsolescence, due to age, attitude or employees inability to adapt to technological changes. Obisi (2001) described T&D as a process through which the skills, talent and knowledge of an employee is enriched. Hellriegel et al, (2001) reiterated that the T&D of employees' increments productivity and performance, more proficient utilization of human resource (HR), organisational objectives and goals are met, diminished expense because of reduced employee turnover, lessened errors, accidents and absenteeism, more able, and versatile workforce and maintenance of the current staff. Throughout literature T&D has been described in many ways. However, the commonalities amongst the definitions is that T&D is a planned technical skill enhancement learning experience designed to bring about permanent change in an individual's knowledge, attitudes, or abilities.

### ***Training and Development***

Training and development is one of the most pervasive methods for enhancing the productivity and performance of employees and communicating organisational goals to new personnel (Edens & Bell, 2003). Similarly, a comprehensive T&D program is of paramount importance as it gains competitive advantage for an organisation over its competitors and aids employees to better perform at their jobs. The study by Aguinis & Kraiger, (2009) defines training as "the systematic approach to affecting individuals' knowledge, skills, and attitudes in order to improve individual, team, and organisational effectiveness" while development is described as "the systematic efforts affecting individuals' knowledge or skills for purposes of personal growth or future jobs and/or roles."

### ***The Importance of Training and development***

Organisations pursue workplace learning strategies that are an optimal answer to complex business challenges and which enable employee competencies (Garavan & McGuire, 2001). Hence, T&D remains one of the important and widely driven mechanisms toward the performance of all the personnel and for organisational growth and success (Elnaga & Imran, 2013). Tahir, et al., (2014) stated that in pursuit of organisational goals, T&D practices are not only beneficial to the organisation but to the employees at large. On an organisational perspective T&D increases profit margins and helps retain talented employees thus accomplishing the firm's goals and maintaining competitive advantage. For employees the general benefits received from T&D are: increased job satisfaction and morale, increased motivation, increased efficiencies in processes, resulting in financial gain, increased capacity to adopt new technologies and methods, increased innovation in strategies and products and reduced employee turnover (Tahir, et al., 2014).

### ***Employee performance***

The research by Armstrong (2000) noted that employee performance is normally looked at in terms of outcomes. However, it can also be seen on an employee behavioural perspective. Therefore, confirming the definition; "performance does not include the results of an employee's behaviour, but only the behaviours themselves" Aguinis (2009). Meaning that it is not based on what employees produce or the outcomes of their work but on the employees' behaviour. Kinicki & Kreitner, (2007), observed that happy and satisfied employees have a higher performance, therefore making it easy for management to motivate them thus attaining the firm targets. Likewise the recognition of significant training practices, enables management to create a conducive working environment which ultimately improves the motivational levels as well as the performance of its workforce. Huselid (1995) argued that the effectiveness of human resource management (HRM) will transfer on the behaviour of the workers. Hence, Carlson et al. (2006) suggested five HRM practices that enhance performance which are; T&D, performance appraisals, compensation and benefits and employee motivation and recruitment package. In addition the study by Teseema and Soeters, (2006) which was conducted on eight HRM practices revealed that recruitment and selection practices, placement practices, training, compensation, employee performance evaluation, promotion, grievance procedure and pension or social security have an effect on employee performance. Arguably, with the aid of existing literature it may be concluded that if certain HRM practices are not effectively implemented by the organisation then employee performance would be stagnant or decline. Hence the importance of companies seeking factors to help low performing employees, Elnaga & Imran, (2013).

A recent study by Elnaga & Imran, (2013) classified performance into five elements namely: planning, monitoring, developing, rating and rewarding. In the planning stage, Planning means setting goals, developing strategies, and outlining tasks and schedules to accomplish the goals. Planning entails setting goals, developing strategies, and outlining tasks and schedules to accomplish the goals. Monitoring is the phase whereby employees are continually checked to see how well they are doing to meet the set goals and providing constant feedback to employees and work groups on their progress toward reaching their goals. Also, monitoring assists in changing unrealistic or problematic standards. The developing stage helps employees improve on any poor performance seen throughout the duration one has been working in the company. The rating gives an overview of the employee performance, this is helpful when organisations are comparing performance over time or among its employees. During the rewarding stage, it is imperative that employers know their best performers therefore rewarding them accordingly.

### ***The relationship between Training and employees performance***

Increasing competition, rapidly changing economic environment, globalization and deregulation of markets, organisations are required to constantly revise their products, services, human resource approaches and increase productivity (Becker, 1996). Therefore, as the organisation progresses, the implementation of T&D is imperative in improving performance as well as increasing productivity (Nassazi, A, 2013). According to Pfeffer (1994) well-trained personnel are more capable of attaining performance targets and gaining competitive advantage in the market. Agreeably, previous literature indicated that employee performance is a function of organisational performance since employee performance influences the general performance in the organisation; the study by Guest, (1997) & Swart et al., (2005) focused on the general outlook of organisational performance, while Purcell et al., (2003) & Harrison (2000) looked at performance in terms of employee performance. Correspondingly, T&D is defined as “the process of enabling employees’ to complete the task with greater efficiency, thus considered to be a vital element of managing the human resource performance strategically” (Lawler, 1993; Delaney & Huselid, 1996). Furthermore, T&D helps reduce employee dissatisfaction, absenteeism, turnover, and it provides a sense of achievement and knowledge that their inherent capabilities are being developed, (Pigors & Myers 1989).

In pursuit of bridging the gap between the standard and the actual performance, applicable T&D interventions are needed to develop certain skills and abilities of the employees to enhance workforce performance (Swart et al., 2005). As depicted by Harrison (2000) in his study, learning through T&D has a great influence on the organisations performance through the increased performance of its workers. However, for the successful implementation T&D programs, adequate planning is required, (Nassazi, A, 2013). Kenney & Reid (1986) highlighted planned training as “the deliberate intervention aimed at achieving the learning necessary for improved job performance.” Further in their study Kenney & Reid (1986) suggested that planned training should consist of the following steps;

1. Identify and define training needs
2. Define the learning required in terms of what skills and knowledge have to be learnt and what attitudes need to be changed.
3. Define the objectives of the training
4. Plan training programs to meet the needs and objectives by using right combination for training techniques and locations.
5. Decide who provides the training
6. Evaluate training.
7. Amend and extend training as necessary.

Affirming the aforementioned steps is Arnoff (1971) who indicated that before offering training to employees, the need and objectives of the training programs should be identified.

### **III. RESEARCH METHODOLOGY**

The research was conducted with reference to existing theoretical literature, published and unpublished literatures. This study is mainly a literature review based on articles that presents different viewpoints of various authors regarding the significance of training & development and its effect on productivity and performance. The concept of training & development on productivity and performance has attracted much attention in recent years both in government and the private sector, solely to keep employees abreast with

new technologies, enhance skills, and knowledge thus, giving organisations competitive advantage. The current methodology falls within the qualitative research methodology.

#### IV. DISCUSSIONS /RECOMMENDATIONS

The current study revealed the correlation of T&D and its effect on employee productivity and performance and ultimately competitive advantage of an organisation. However, an explorative study may be extended towards the relationship between organisational performance and other related HRM practices, also of T&D and employee commitment, turnover and organisational loyalty, with underpinning variables such as work environment, opportunities for promotion, salary increment and better benefit packages. Further, a study on knowledge management, skills transfer and the concept of a learning organisation may be conducted. The future studies must not be limited to South Africa but to Africa wholly, especially for those organisations that are venturing or have ventured to other African countries.

#### V. CONCLUSION

This article has examined literature relating to T&D and its effect on employee productivity and performance. Based on the review of literature T&D proves to be a significant and continuous human resource management practice for organisations to meet their business and operational goals. Therefore, it is imperative for firms to design and implement T&D programs with clear goals and objectives that will be beneficial to both the individual and firm. Therefore, assisting to bridge the gap between the organisations desired performance and actual employee performance. Moreover, the firm needs to know the purpose and objectives of the training, the knowledge, skills and abilities the employees would learn at the end of the training program and whether the employees will be able to effectively achieve the required performance targets on job.

Prior literature on HRM reveal that, employees are the most important resource and asset of an organisation and perform better when adequately trained. Hence, the relationship of T&D and its effect on employee productivity and performance should be based on the need of the organisation, likewise, benefiting the employee in terms of performance, skills, knowledge which will in turn help organisations achieve their objectives and sustain competitive advantage. Likewise, employees would have a better career life and opportunities for promotion within the company. Therefore, the purpose of this study was to find out the relationship between Training and Development and Employees' performance and Productivity.

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